



25 Sigourney Street  
Hartford CT 06106-5032

## STATE OF CONNECTICUT

# DEPARTMENT OF REVENUE SERVICES SN 2002(6.1)

### SPECIAL NOTICE

## Motor Vehicle Fuels Tax Change as of August 1, 2002 and Continuation of Exemption for Alternative Fuels

**Purpose:** On July 11, 2002, DRS issued **Special Notice 2002(6)**, *Motor Vehicle Fuels Tax Changes as of July 1, 2002 and August 1, 2002*, which provided information about the expiration of the exemption from the motor vehicle fuels tax for compressed natural gas, liquefied petroleum gas (propane), and liquefied natural gas (alternative fuels), under legislation effective July 1, 2002. Special Notice 2002(6) also provided information about an increase in the motor vehicle fuels tax rate for alternative fuels.

On August 15, 2002, additional legislation was signed into law, reinstating the exemption for alternative fuels, retroactive to July 1, 2002, the date when the exemption had been scheduled to expire. This Special Notice explains the continuation of that exemption as well as the tax increase for diesel fuel. It supersedes **Special Notice 2002(6)**.

**Effective Date:** The increase in the tax rate for diesel fuel was effective **August 1, 2002**. The exemption for alternative fuels remains in effect until **July 1, 2004**.

**Statutory Authority:** Conn. Gen. Stat. §12-458(a)(2)(C), as amended by 2002 Conn. Pub Acts 1, §71 (May 9 Spec. Sess.) and Conn. Gen. Stat. §12-458f, as amended by 2002 Conn. Pub. Acts 4, §12 (May 9 Spec. Sess.).

**Diesel Fuel Tax Rate Increase:** Effective **August 1, 2002**, the motor vehicle fuels tax rate on the sale or use of diesel fuel increased from 18¢ to 26¢ per gallon.

**Continuation of Tax Exemption for Alternative Fuels:** The motor vehicle fuels tax exemption in

Conn. Gen. Stat. §12-458f for alternative fuels, which was scheduled to expire on July 1, 2002, remains in effect without interruption, and has been extended until **July 1, 2004**. Please disregard any information in **Special Notice 2002(6)** concerning the taxability of alternative fuels.

Distributors that already have remitted motor vehicle fuels tax on alternative fuels for tax periods commencing on or after July 1, 2002, may file amended returns for such periods to obtain refunds or credits of such tax.

### **No Change in Gasoline or Gasohol Tax Rates:**

Motor vehicle fuels tax rates on gasoline and gasohol did not change on August 1, 2002. The tax rate for gasoline remains 25¢ per gallon, and the tax rate for gasohol remains 24¢ per gallon.

**Revised Tax Returns:** A revised version of **Form OP-216**, *Diesel Fuel/Propane/Natural Gas Tax Return*, reflecting the rate increase for diesel fuel and the continuation of the exemption for alternative fuels, is being mailed to all distributors.

**Effect on Other Documents:** This Special Notice supersedes **Special Notice 2002(6)**.

**Effect of This Document:** A Special Notice is a document that announces a new policy or practice in response to changes in State or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by DRS and may be referred to for general guidance by taxpayers or tax practitioners.

**For Further Information on Motor Vehicle Fuels Tax:** Call the Excise/Public Services Taxes Subdivision at **860-541-3225** during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday.

---

**For Further Information:** Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

---

SN 2002(6.1)  
Motor Vehicle Fuels Tax  
2002 Legislation  
Issued: 08/22/2002

**Forms and Publications:** Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: **[www.drs.state.ct.us](http://www.drs.state.ct.us)**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.